

REPORT

DATE: May 8, 2008
TO: Administration Committee and Regional Council
FROM: Leyton Morgan, Manager of Contracts
SUBJECT: Contracts Over \$250,000

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve

Practices

BACKGROUND:

ACS

Apple One Employment Services, Inc.

Helpmates Staffing Services

Microlink Enterprise, Inc.

PMC

Sapphire Technologies

(Three year temporary employment services bench contract)

\$930,000

Maximum Total Not-To-Exceed

Dell, Inc.

(Three-year agreement to purchase desktop computers, laptops, server hardware and software, as well as accessories)

\$475,000

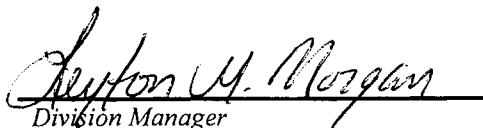
Maximum Total Not-To-Exceed

FISCAL IMPACT:

The FY 09 cost associated with the temporary employment services bench contract is captured in FY 09 OWP Project Number 09-810.SCG-00120.04. FY 10 and FY 11 cost will be included in the OWP for those years.

The cost associated with the computer purchase is captured in FY 08 OWP Project Number 08-800.SCGS09, and in FY 09 OWP Project Number 08-810-SCG00120.05.

Reviewed by:


Leyton M. Morgan
Division Manager

Reviewed by:


Chief Financial Officer

PURCHASE ORDER CONTRACT

**Recommended
Vendor:**

Dell, Inc.

Scope of Work:

In June 2005, the Regional Council approved a staff recommendation to select Dell, Inc. as the standard provider of personal computer (PC) and server hardware and software. SCAG's three-year lease agreement with Dell for desktops, laptops, software and accessories expires on October 1, 2008. Staff requests authorization to:

1. Continue to standardize on Dell computer equipment; and
2. Purchase Dell desktops, laptops and server equipment and related software as required, in an amount not to exceed \$475,000, for the period May 8, 2008 - June 30, 2010, using the Western States Contracting Alliance Master service Agreement (MSA - An MSA is a state and/or local intergovernmental agreement that allows SCAG to use a state or local entity's procurement without further competition. The SCAG Contracts Manual allows staff to procure goods and services using MSA's.)

Background

As previously state, in June of 2005, SCAG awarded a contract to Dell and standardized related computer hardware and software on Dell. Based on SCAG staff's recent analysis, Dell remains the best value based on customer service, technology and price. Therefore staff recommends the Board authorize staff to continue to standardize on Dell computer equipment. Although staff recommends Dell as the standard, staff will continue to monitor the computer marketplace and may revise the standard to maximize opportunities for technological advances, support improvements, and cost savings.

Staff is requesting authorization at this time in order to accommodate lead time required to have new computer equipment in place by October 1, 2008 when the computer lease expires, and to leverage the use of FY 08 funding that will not be available in FY 09.

PO Amount:

Total not to exceed **\$475,000**

FY '08 includes equipment, software and maintenance	\$225,000
FY '09 includes equipment, software and maintenance	\$125,000
FY '10 includes equipment, software and maintenance	\$125,000

**PO Authorization
Period:**

May 8, 2008 - June 30, 2010

Work Element:

08-800.SCGS09
08-810-SCG00120.05

Funding Sources: Consolidated
Planning Grant - FHWA and TDA

Selection Process:

In accordance with the SCAG Contracts Manual (reference to 49 CFR 18.36), SCAG staff could have simply awarded the purchase order to Dell, because they are an approved vendor through the Western States Contracting Alliance (WSCA) MSA. However, to help ensure SCAG received the best value for this purchase, staff evaluated Dell against two other vendors in the computer marketplace: Hewlett Packard (HP) and Lenovo. HP, Lenovo and Dell are the only vendors ranked in the top-tier “Magic Quadrant” for Global Enterprise Desktop PCs by Gartner Group, the leading IT research firm.

Each vendor was asked to provide product and support information and best pricing for computer models, monitors and bundled software that met minimum hardware and software specifications provided by SCAG.

The selection committee was comprised of the following individuals:

- Catherine Chavez, Manager, Information Technology, SCAG
- Victor Ryden, Lead Systems Admin., Information Technology, SCAG
- Kurt Walker, Senior Systems Admin., Information Technology, SCAG
- Van Nguyen, Sr. Business Systems Analyst, Information Technology, Sapphire

The selection committee reviewed all quotes and determined that Dell delivered the best value based on a combination of factors, including product features, customer support, and price. Quoted prices are as follows and include monitors and tax:

Manufacturer	High-End Desktop	Standard Desktop	Laptop
Dell	\$1,765	\$1,061	\$1,525
HP	\$2,322	\$1,277	\$1,400 + cost of docking station
Lenovo*	\$1,430	\$1,125	\$1,276 + cost of docking station

- * Although Lenovo quoted the lowest prices for high-end desktops and laptops, their quotes were based on lower hardware specifications than Dell's or HP's. Lenovo did not respond to follow-up requests from SCAG to modify its quotes.

Basis for Selection:

The following were the criteria used to evaluate the three vendors:

1. **Technology** – All vendors were required to offer advanced technology for laptop, PC and server equipment and provide stable hardware configurations during an extended period of time
2. **Support and customer service** – All vendors were required to offer reliable product support and customer service
3. **Cost** – All vendors were required to offer reasonable costs

According to SCAG's market research, Dell is expected to continue to provide high quality products and high levels of customer support. Conclusively, SCAG recommends utilizing the WSCA contract through the state of California's Master Services Agreement (MSA) to purchase Dell equipment for the next three-year period.